

IBC (3920)

Parent / Consolidated Fiscal Year (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY09/2018		1,290	202	205	141	25.20	-	297.20
FY09/2019		1,833	244	223	134	24.18	-	292.93
FY09/2020CoE		2,555	352	311	212	38.49	-	-
FY09/2019	YoY	42.0%	20.9%	8.6%	(5.0%)	-	-	-
FY09/2020CoE	YoY	39.4%	44.1%	39.3%	57.4%	-	-	-
Consolidated Half Year (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
Q1 to Q2 FY09/2019		876	163	163	106	-	-	-
Q3 to Q4 FY09/2019		956	81	60	28	-	-	-
Q1 to Q2 FY09/2020CoE		1,172	183	163	109	-	-	-
Q3 to Q4 FY09/2020CoE		1,383	169	148	103	-	-	-
Q1 to Q2 FY09/2020CoE	YoY	33.7%	12.6%	0.0%	2.8%	-	-	-
Q3 to Q4 FY09/2020CoE	YoY	44.5%	107.9%	145.3%	258.2%	-	-	-

Source: Company Data, WRJ Calculation (consolidated accounts disclosed since FY09/2019)

1.0 Executive Summary (17 January 2020)

New Values in New Domains

IBC, running operations of network system monitoring, is likely to continue its solid business performance over the long term. The Company to visualize network infrastructure is creating new values that have not been available by means of avoiding opportunity loss due to system downs with its customers, while suggesting favorable prospects for this existing domain together with strategy to get involved with their system operations more than ever before. At the same time, the Company is trying to get at creation of new values in new domains. FY09/2020 Company forecasts are going for consistent high growth for sales and earnings, driven by those on the existing domain of network system monitoring, while conservatively assuming that new domains such as InsurTech (insurance×technology)-related to remain insignificant for earnings. However, the Company suggests IoT security platform services, for which demonstration tests and/or demonstration of concepts (PoC: Proof of Concept) are continuing at major vendors, may make a large contribution even in the short term as the application of revision on ministerial ordinance by the Ministry of Internal Affairs and Communications is scheduled to begin in April 2020. In other words, given the whole country is heading for IoT security measures, the Company spots that it has a potential to get impacted with this trend.

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2.0 Company Profile

Pioneering Network System Monitoring

Company Name	IBC Co.,Ltd.: Internetworking & Broadband Consulting Co.,Ltd. Website IR Information (Japanese) Share Price (Japanese)
Established	16 October 2002
Listing	28 November 2016: Tokyo Stock Exchange 1st section (ticker: 3920) 15 September 2015: Tokyo Stock Exchange Mothers
Capital	¥440m (as of the end of September 2019)
No. of Shares	5,707,600 shares, including 154,159 treasury shares (as of the end of Sep. 2019)
Main Features	<ul style="list-style-type: none">● Sales of proprietary “System Answer Series” on a license basis● Realizing visualization of network infrastructure● Avoiding opportunity loss by system downs and lowered customer satisfaction
Business Segment	I . Software Service Business
Top Management	CEO & President: Hiroyuki Kato
Shareholders	Hiroyuki Kato 35.8%, Plus Fuji 8.7%, Company’s treasury shares 2.7% (as of the end of September 2019)
Headquarters	Chuo-ku, Tokyo, JAPAN
No. of Employees	Consolidated: 100, Parent: 69 (as of the end of September 2019)

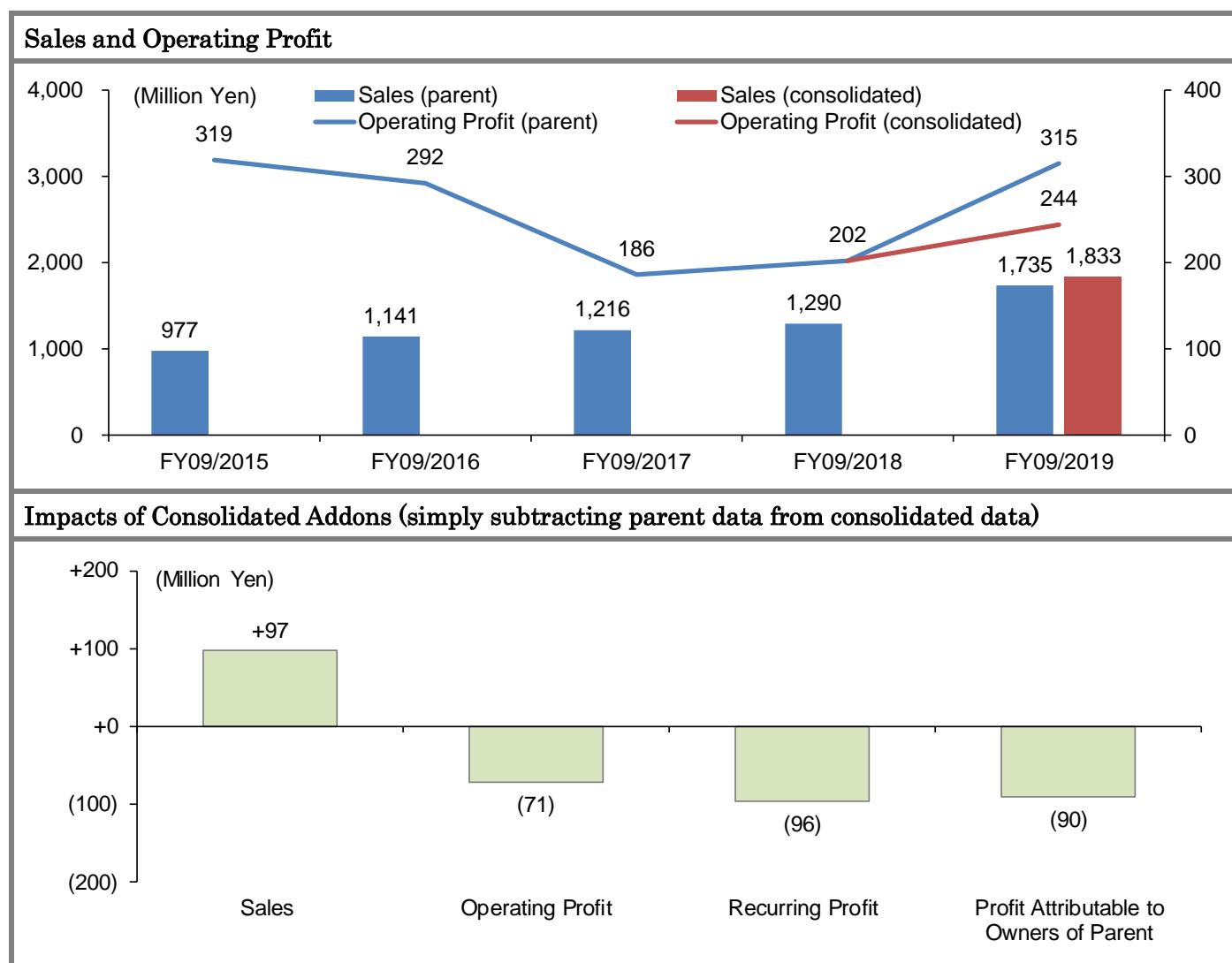


Source: Company Data

3.0 Recent Trading and Prospects

FY09/2019 Results

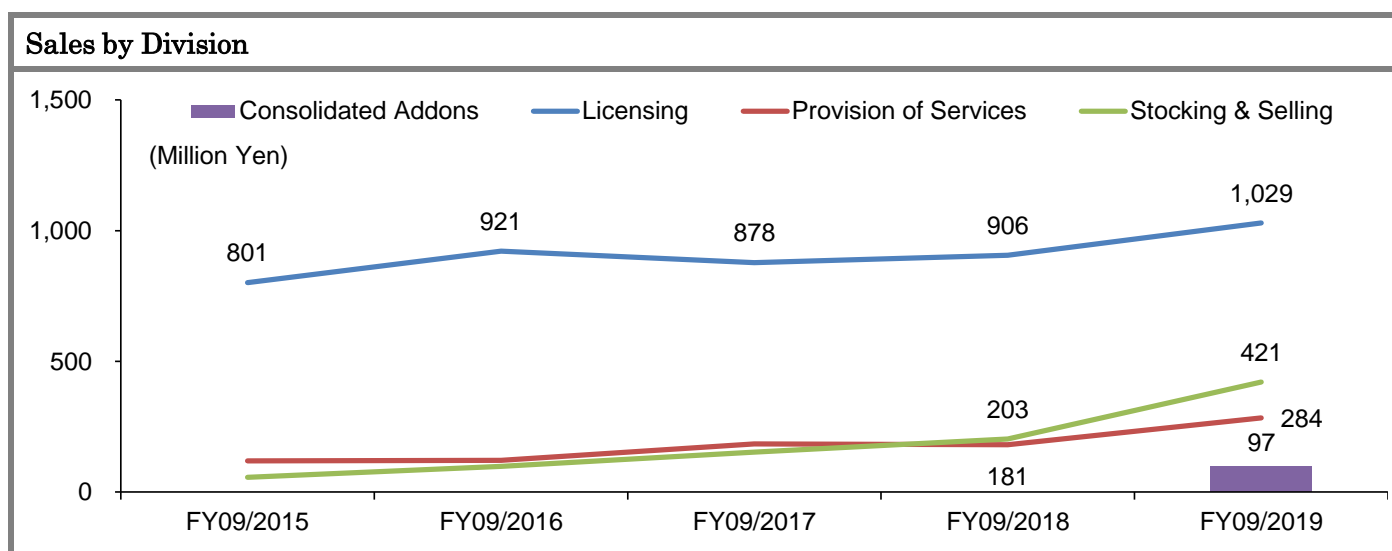
In FY09/2019, when simply compared with the parent data in FY09/2018 (the same applies to the following), sales came in at ¥1,833m (up 42.0%), operating profit ¥244m (up 20.9%), recurring profit ¥223m (up 8.6%) and profit attributable to owners of parent ¥134m (down 5.0%), while operating profit margin 13.3% (down 2.3% points). The Company has shifted from parent disclosure to consolidated disclosure since the beginning of FY09/2019.



Source: Company Data, WRJ Calculation

Compared with initial Company forecasts (released on 14 November 2018), the results were lower. Sales were lower by ¥4m (0.2%), operating profit by ¥33m (11.9%), recurring profit by ¥53m (19.2%) and profit attributable to owners of parent by ¥52m (28.0%). Sales were roughly in line with expectations. Sales on a parent basis, accounting for the majority of sales as a whole for the Company, were in line, which appears to have had a major impact. On the other hand, consolidated subsidiaries suffered from earnings below expectations and it appears that the Company additionally suffered from losses on equity-method affiliate that has been newly consolidated in H2. Meanwhile, the main reason for the shortfall of earnings of consolidated subsidiaries is that development costs in iChain, Inc. were higher than originally planned.

On a parent basis, sales came in at ¥1,735m (up 34.5% YoY), operating profit ¥315m (up 56.2%), recurring profit ¥320m (up 55.7%) and net profit ¥224m (up 58.4%), while operating profit margin 18.2% (up 2.5% points). In other words, when the parent data are simply subtracted from the consolidated data, there are net increases by ¥97m in sales and net decreases by ¥71m in operating profit. At the same time, there are net decreases by ¥96m in recurring profit and thus more decreases than in operating profit. Meanwhile, net profit on a parent basis came in at ¥224m (up 58.4%) versus profit attributable to owners of parent of ¥134m (down 5.0%) on a consolidated basis, implying further negative impacts at the bottom line, stemming from shit to disclosure on a consolidated basis.



Source: Company Data, WRJ Calculation

According to the Company's disclosure on sales by division (on a parent basis), sales of licensing came in at ¥1,029m (up 13.7%), sales of provision of services ¥284m (up 56.5%), sales of stocking & selling ¥421m (up 107.7%). On top of this, the Company saw sales of ¥97m for consolidated addons, when based on above-mentioned impacts. Meanwhile, as a whole for the Company, gross profit came in at ¥1,281m (up 26.5%) and SG&A expenses ¥1,037m (up 27.9%), implying gross profit margin of 69.9% (down 8.6%) and sales to SG&A expenses ratio of 56.6% (down 6.3%). As a result, operating profit margin came in at 13.3% (down 2.3% points). According to the Company, some 55% of SG&A expenses are of personnel expenses.

In licensing, the Company sells “System Answer Series” on a license basis, i.e., booking sales for usage rights for this software. That is to say, the price for using this software developed by the Company is collected, while sales here appear to carry high gross profit margin and account for a considerable part of gross profit as a whole for the Company. With this business, the Company enters into annual (or multi-year) usage agreements with customers and focuses on consistently renewing them, while cultivating new customers at the same time. Thus, the Company is running an earning model based on a so-called subscription basis. In FY09/2019, the Company saw steady progress in switching from System Answer G2 to more functional System Answer G3 for existing customers, while having successfully focused on additional proposals. On top of this, the Company also saw large-scale order intake from new customers. As a result, sales were firm and must have contributed to increases of gross profit as a whole for the Company to a large extent. However, gross profit margin as a whole for the Company came down as sales of provision of services as well as those of stocking & selling both carrying gross profit margin relatively lower increased faster than those of licensing. It appears that the Company sees gross profit margin low in particular with stocking & selling where it literally stocks and sells merchandises. Generally speaking, it can be said that sales mix is deteriorating, but it should be the case, effectively, that the Company benefits from increased additional earnings in light of the Company’s business model.

"System Answer Series" is adopted by some 1,500 companies (1,500 systems) in every business category, type and size. It is said that intuitive operations using the mouth can collect a vast amount of performance information on multi-vendor virtual servers and network equipment in units of one minute and can instantly display, analyze and notify users. For example, this is adopted by business category and/or type, including public services, education & learning support, medical & welfare, the service industry, finance & insurance, construction & real estate, manufacturing, wholesale & retail, transportation, restaurant business, accommodations and information & communications, implying a very high diversity. Meanwhile, large-sized customers are the mainstay, according to the Company.

The essence of “System Answer Series” is that it is possible to avoid opportunity loss and lower customer satisfaction due to system downs by utilizing the detailed data obtained here. The Company's customers, who highly value this, are generally continuing to renew their annual (or multi-year) usage agreements, while the Company steadily cultivates new customers. Another objective of appreciation is to reduce operating costs by eliminating personalization, because it can be used without IT experts. On top of this, the Company responds to the latest technologies as needed, enabling comprehensive management including virtualization and cloud environments as well as holding portfolio of products and services to be able to flexibly cope with the scale of each customer’s equipment to be monitored. The other thing is that the Company capability to cope with various system environments, which also appears to have contributed to the recent increases in sales.

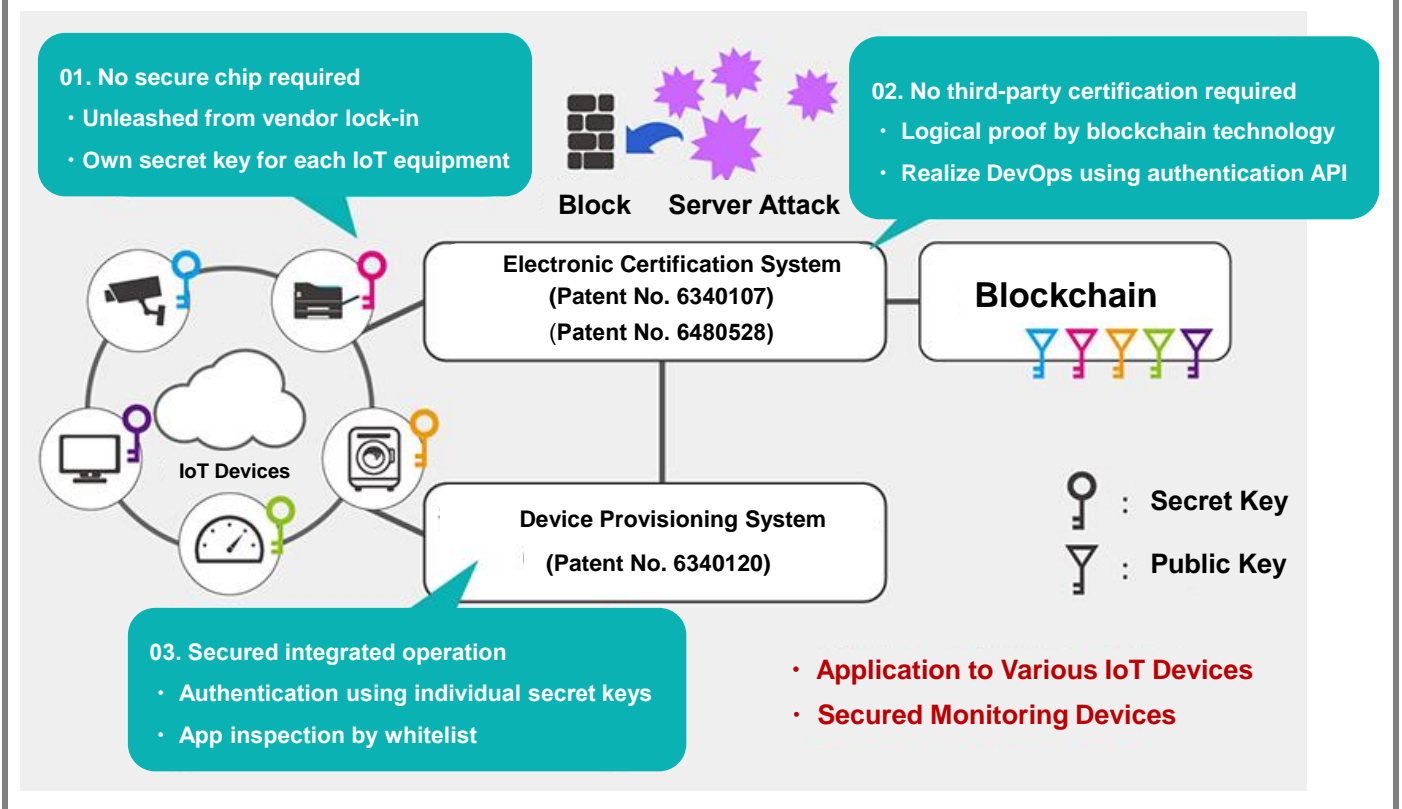
In provision of services, the Company books sales stemming from provision of various services related to “System Answer Series”. In FY09/2019, the Company succeeded in its measure to strengthen services of construction and operation support to be provided in line with order intake on licensing, while order intake on licensing was buoyant, having resulted in sales growth rate even higher than that of licensing.

In stocking & selling, the Company stocks and sells various third-party system equipment and software associated with provision of services to resolve the issues faced by customers using "System Answer Series", booking sales stemming from here. The Company is expanding its merchandise lineup here, while actively beefing up sales at the same time. The Company calls this initiative "IBC Solution" proposition. In FY09/2019, the Company enjoyed increased reliability by customers in the first place, while order intake for large-scale project was received. As a result, sales of stocking & selling more than doubled over the previous year. Although there are large discrepancies amongst each merchandise, it appears that the Company sees gross profit margin relatively very low with the average of this division to stock and sell merchandises. Surging sales of stocking & selling must have been a key reason for lowered gross profit margin as a whole for the Company, which is true in fact, given that above-mentioned large-scale project carried gross profit margin razor-thin, according to the Company.

On 1 August 2019, the Company acquired a portion of security business from NaviPlus Co., Ltd., such as fragility assessment services and sales of SSL server certificate coupons. This was another factor to have driven sales in stocking & selling. While the Company has enriched its security merchandise portfolio together with this, sales stemming from here were added to sales with the Company for two months in FY09/2019. The Company says that sales of SSL server certificate coupons made a significant contribution. This refers to stocking and selling of coupons that can be used to acquire SSL server certificates provided by DigiCert Japan G.K. (former Symantec Website Security G.K.) and/or Cybertrust Japan Co.,Ltd. Being an Excellent Partner of DigiCert Japan G.K., the Company can stock the said coupons at low prices to sell.

So far, the Company's operations on a parent basis have been discussed, where it focuses on providing services as MSPs (Managed Services Provider) that are deeply involved with customers' systems operations. In other words, not only does the Company develop and sell "System Answer Series", but it also actively provides related services and stocks and sells merchandises. Meanwhile, MSP refers to an operator that attempts to reduce the burden of system operations of customers by providing comprehensive support for customers' system operations on behalf of them. The Company calls this "SAMS (Speedy Action Management Services) platform" proposition and says it provides comprehensive infrastructure operation support, including security, etc. on top of infrastructure performance support.

IoT Security Platform Services kusabi™



Source: Company Data

In regards to sales in stocking & selling, the Company suggests that it has also booked sales of “kusabi™ PoC support services”, albeit no more than several million yen, representing services that literally support major vendors in carrying out PoC (Proof of Concept) of IoT security platform services kusabi™, developed by the Company. Sales stemming from here equates to the price that Company received from the major vendors. “kusabi™” is said to realize IoT security only with software by electronic certification system using blockchain technology and proprietary device provisioning technology.

According to the “IoT Security Guidelines” issued by the Ministry of Economic, Trade and Industry and the Ministry of Internal Affairs and Communications, some have viewed cyberattacks on IoT equipment as more dangerous than ever before. The network is connected to a variety of equipment, including routers, surveillance cameras, output machines, etc., while IDs and passwords are assigned to each of those equipment. If they remain at their initial settings or software updates are neglected, there are increases in the likelihood that they will be damaged by unauthorized access. For example, it will make it possible to peep into the images taken by surveillance cameras and that data can be stolen via the network. Until now, the awareness of this threat has remained low, so there are cases where the equipment are used as initially set or quite old, generating one of the weak points of security. At present, it is said that there are no effective countermeasures against this threat.

In February 2019, the Ministry of Internal Affairs and Communications revised the ministerial ordinance that stipulates the technical standards for terminal equipment in accordance with the Telecommunications Business Act, where it was obligated to establish a function to prevent unauthorized access to terminal equipment as an IoT security measure, while the application of this is scheduled to begin in April 2020. Based on the patented "kusabi™ electronic certification system (Patent No. 6340107 and Patent No. 6480528)" and "device provisioning system (Patent No. 6340120)", "kusabi™" is said to be capable of promptly responding to the above-mentioned "revision of the ministerial ordinance" with a) no passwords, b) no public certificate authentication stations and c) no dedicated chips. Given a situation like this, the Company suggests that there is a possibility for a move to adopt "kusabi™" on a full-fledged basis to accelerate in the near future.

Meanwhile, the Company saw net increases by ¥97m in sales and net decreases by ¥71m in operating profit due to consolidated add-ons, stemming from those of iChain, Inc. and SundayArts K.K. Co., Ltd.

iChain, Inc. (capital: ¥98m, ownership:100.0% and headcounts: 13) saw sales of ¥19m and operating profit of minus ¥35m for its results in FY09/2018 as disclosed by the Company. Meanwhile, in FY09/2019, it appears that sales expanded rapidly but even more for burden on development, having resulted in operating loss expanded over the previous year, which is said to be the key negative factor for operating profit to have fallen short of initial expectations as a whole for the Company. iChain, Inc., having had been a direct subordinate of the Company for some time, develops and sells software associated with InsurTech (insurance × technology) as well as providing consulting services. In FY09/2019, this has been consolidated as subsidiary since the beginning, because of increased importance of its business. This is the trigger for the Company to make a move to disclosure on a consolidated basis versus on a parent basis until then. Looking forward, this subsidiary is to see favorable improvement in earnings in FY09/2020 as new services to have been developed are to launch. Still, FY09/2020 Company forecasts are based on conservative assumptions for the operations here.

To date, the Company has booked sales of consulting services and those of "iChain Insurance Wallet" which is an insurance-portfolio management smartphone app, developed by the Company, that can be downloaded free of charge from App Store and/or Google Play. For example, Mitsui Sumitomo Insurance Company, Limited has started services taking advantage of "iChain Insurance Wallet" through cooperation with its own services, while the services on an OEM basis are to be offered, in January 2020, to Money Compass Japan Co., Ltd. set up by Tokai Tokyo Financial Holdings, Inc. In both cases, the Company books sales by means of receiving compensations in line with the operating status. Meanwhile, "iChainBase (insurance business platform on a SaaS basis)" to have been developed for some time is expected to be launched around April 2020. At the initial stage, the Company is to get at adoptions by Small Amount and Short Term Insurance or by small-scale insurers, while attempting to provide an innovative insurance business platform.

SundayArts K.K. Co., Ltd. (capital: ¥10m, ownership: 100.0% and headcounts: 18) saw sales of ¥154m and operating profit of ¥25m for its results in FY08/2018 as disclosed by the Company, while this has become a wholly owned subsidiary through simplified share exchange on 1 April 2019, having contributed to the Company's consolidated accounts in H2 FY09//2019 (6 months) with its operations of blockchain development, system engineering services and software development. According to the Company, the results were firm, but about half of sales were associated with above-mentioned development in iChain, Inc., while around breaking even in operating profit after goodwill write-off.

Meanwhile, non-operating balance as a whole for the Company worsened by ¥24m over the previous year (¥3m to minus ¥21m), due mainly to booking of equity-method investment loss of ¥22m in FY09/2019, stemming from investment (25 April 2019) in NSD Advanced Technology Research Institute CO., LTD., established on 1 April 2019. The Company, which has holding ratio of 30.0% versus capital of ¥100m, include this as equity-method affiliate with its consolidated accounts. Thus, the Company is seeing profit or loss corresponding to the holding ratio of 30.0%.

NSD Advanced Technology Research Institute CO., LTD. is one of the group companies with NSD CO., LTD., i.e., independent software development company with a strong reputation on systems for financial institutions, while conducting research and development using cutting-edge technologies such as AI and IoT, supporting demonstration tests and creating new services as well as new products in the field of new technologies. According to the Company, creation of high-value-added services is aimed at, based on the results of all those studies.

The Company is aggressively investing in domains with high growth potential over the long term, as found in software development in iChain, Inc., simplified share exchange to make SundayArts K.K. Co., Ltd. into wholly owned subsidiary and investment in NSD Advanced Technology Research Institute CO., LTD. Currently, upfront investments are incurred in each of those domains, but the Company as a whole is seeing increased operating profit and increased recurring profit, driven by strengths on a parent basis in line with increased effects of higher sales. However, profit attributable to owner of parent is marginally under pressure, due mainly to a factor that apparent tax burden becomes high given losses at iChain, Inc. for the Company which has not introduced consolidated tax payment.

Elsewhere, the Company has acquired a portion of security business from NaviPlus Co., Ltd., which should be regarded as another growth strategy, while it could be said that the profitability of “kusabi™” is now approaching. On top of this, the Company has invested in a startup in the United States, which develops LiDAR (Light Detection and Ranging) for autonomous vehicles through a fund called “Octave Tech Investment L5 LLC”. LiDAR uses light-based remote sensing technology to detect an object and to measure the distance from an object to another. That is to say, this refers to a mechanism to measure the distance and direction of an object by measuring the time until the laser light is irradiated and bounced back when it hits an object. The technique is similar to the radar, while the difference is that this replaces the radar's radio waves with light. Meanwhile, the reason for this investment is that synergies can be pursued. Currently, the Company is in the process of patent applications on IoT security platform Services kusabi™ on a global basis, while this investment could be a trigger to start up involvement with automobile industry, originated in the United States, according to the Company.

FY09/2019 Company Forecasts and Results

Consolidated Fiscal Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
FY09/2019CoE	14-Nov-18	Q4 Results	1,837	277	276	186
FY09/2019CoE	7-Feb-19	Q1 Results	1,837	277	276	186
FY09/2019CoE	15-May-19	Q2 Results	1,837	277	276	186
FY09/2019CoE	13-Aug-19	Q3 Results	1,837	277	276	186
FY09/2019Act	13-Nov-19	Q4 Results	1,833	244	223	134
		Amount of Gap	(4)	(33)	(53)	(52)
		Rate of Gap	(0.2%)	(11.9%)	(19.2%)	(28.0%)
FY09/2019CoE	14-Nov-18	Q4 Results	1,837	277	276	186
FY09/2019Act	13-Nov-19	Q4 Results	1,833	244	223	134
		Amount of Gap	(4)	(33)	(53)	(52)
		Rate of Gap	(0.2%)	(11.9%)	(19.2%)	(28.0%)
Consolidated Half Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
Q1 to Q2 FY09/2019CoE	14-Nov-18	Q4 Results	878	146	145	94
Q1 to Q2 FY09/2019CoE	7-Feb-19	Q1 Results	878	146	145	94
Q1 to Q2 FY09/2019Act	10-May-19	Q2 Results	876	163	163	106
		Amount of Gap	(2)	17	18	12
		Rate of Gap	(0.2%)	11.6%	12.4%	12.8%
Q1 to Q2 FY09/2019CoE	14-Nov-18	Q4 Results	878	146	145	94
Q1 to Q2 FY09/2019Act	10-May-19	Q2 Results	876	163	163	106
		Amount of Gap	(2)	17	18	12
		Rate of Gap	(0.2%)	11.6%	12.4%	12.8%
Consolidated Half Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
Q3 to Q4 FY09/2019CoE	14-Nov-18	Q4 Results	959	131	131	92
Q3 to Q4 FY09/2019CoE	7-Feb-19	Q1 Results	959	131	131	92
Q3 to Q4 FY09/2019CoE	15-May-19	Q2 Results	961	114	113	80
		Amount of Gap	2	(17)	(18)	(12)
		Rate of Gap	0.2%	(13.0%)	(13.7%)	(13.0%)
Q3 to Q4 FY09/2019CoE	13-Aug-19	Q3 Results	961	114	113	80
Q3 to Q4 FY09/2019Act	13-Nov-19	Q4 Results	956	81	60	28
		Amount of Gap	(5)	(33)	(53)	(52)
		Rate of Gap	(0.5%)	(28.9%)	(46.9%)	(65.0%)
Q3 to Q4 FY09/2019CoE	14-Nov-18	Q4 Results	959	131	131	92
Q3 to Q4 FY09/2019Act	13-Nov-19	Q4 Results	956	81	60	28
		Amount of Gap	(3)	(50)	(71)	(64)
		Rate of Gap	(0.3%)	(38.2%)	(54.2%)	(69.6%)

Source: Company Data, WRJ Calculation

Income Statement (Cumulative/Quarterly)

Income Statement (Million Yen)	Par.Act	Par.Act	Par.Act	Par.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 09/2018	Q1 to Q2 09/2018	Q1 to Q3 09/2018	Q1 to Q4 09/2018	Q1 09/2019	Q1 to Q2 09/2019	Q1 to Q3 09/2019	Q1 to Q4 09/2019	
Sales	305	715	914	1,290	342	876	1,274	1,833	+542
Cost of Sales	61	157	197	277	77	224	402	551	+274
Gross Profit	244	558	717	1,013	264	651	872	1,281	+268
SG&A Expenses	209	397	606	811	242	488	790	1,037	+226
Operating Profit	34	161	110	202	22	163	81	244	+42
Non Operating Balance	0	1	1	3	(0)	(0)	(12)	(21)	(24)
Recurring Profit	35	162	112	205	22	163	69	223	+17
Extraordinary Balance	0	(0)	(0)	(1)	0	0	(7)	(8)	(7)
Profit before Income Taxes	35	161	111	204	22	163	61	214	+10
Total Income Taxes	11	53	37	62	9	58	40	85	+23
NP Belonging to Non-Controlling SHs	-	-	-	-	(0)	(1)	(5)	(5)	(5)
Profit Attributable to Owners of Parent	23	107	74	141	14	106	26	134	(7)
Sales YoY	+28.0%	+12.1%	+14.3%	+6.1%	+12.1%	+22.5%	+39.4%	+42.0%	-
Operating Profit YoY	-	+91.6%	+513.6%	+8.2%	(34.1%)	+1.2%	(26.0%)	+20.9%	-
Recurring Profit YoY	-	+144.5%	-	+21.5%	(35.5%)	+0.5%	(38.4%)	+8.6%	-
Profit Attributable to Owners of Parent YoY	-	+154.0%	-	+23.3%	(39.6%)	(1.5%)	(64.4%)	(5.0%)	-
Gross Profit Margin	80.0%	78.0%	78.4%	78.5%	77.3%	74.3%	68.5%	69.9%	(8.6%)
Sales to SG&A Expenses Ratio	68.6%	55.5%	66.3%	62.8%	70.6%	55.7%	62.0%	56.6%	(6.3%)
Operating Profit Margin	11.4%	22.5%	12.1%	15.7%	6.7%	18.6%	6.4%	13.3%	(2.3%)
Recurring Profit Margin	11.5%	22.7%	12.3%	15.9%	6.6%	18.6%	5.4%	12.2%	(3.8%)
Profit Attributable to Owners of Parent Margin	7.6%	15.1%	8.1%	11.0%	4.1%	12.1%	2.1%	7.4%	(3.6%)
Total Income Taxes/Profit before Income Taxes	33.6%	33.2%	33.6%	30.4%	41.0%	36.2%	65.9%	39.7%	+9.3%

Income Statement (Million Yen)	Par.Act	Par.Act	Par.Act	Par.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 09/2018	Q2 09/2018	Q3 09/2018	Q4 09/2018	Q1 09/2019	Q2 09/2019	Q3 09/2019	Q4 09/2019	
Sales	305	409	198	376	342	533	397	558	+182
Cost of Sales	61	95	40	80	77	147	177	149	+69
Gross Profit	244	313	158	296	264	386	220	409	+113
SG&A Expenses	209	187	209	204	242	246	301	246	+42
Operating Profit	34	126	(50)	91	22	140	(81)	162	+70
Non Operating Balance	0	0	0	1	(0)	0	(12)	(8)	(10)
Recurring Profit	35	127	(49)	93	22	140	(93)	154	+60
Extraordinary Balance	0	(0)	0	(0)	0	0	(7)	(0)	(0)
Profit before Income Taxes	35	126	(49)	92	22	140	(101)	153	+60
Total Income Taxes	11	41	(16)	24	9	49	(18)	44	+20
NP Belonging to Non-Controlling SHs	-	-	-	-	(0)	(1)	(3)	-	-
Profit Attributable to Owners of Parent	23	84	(33)	67	14	92	(79)	108	+40
Sales YoY	+28.0%	+2.7%	+22.8%	(9.6%)	+12.1%	+30.2%	+100.3%	+48.5%	-
Operating Profit YoY	-	(11.1%)	-	(45.8%)	(34.1%)	+10.9%	-	+77.5%	-
Recurring Profit YoY	-	(10.9%)	-	(44.9%)	(35.5%)	+10.4%	-	+65.4%	-
Profit Attributable to Owners of Parent YoY	-	(9.9%)	-	(42.1%)	(39.6%)	+9.0%	-	+60.0%	-
Gross Profit Margin	80.0%	76.6%	79.8%	78.7%	77.3%	72.4%	55.5%	73.3%	(5.4%)
Sales to SG&A Expenses Ratio	68.6%	45.8%	105.3%	54.3%	70.6%	46.2%	75.9%	44.2%	(10.2%)
Operating Profit Margin	11.4%	30.8%	(25.5%)	24.3%	6.7%	26.3%	(20.4%)	29.1%	+4.8%
Recurring Profit Margin	11.5%	31.0%	(25.1%)	24.7%	6.6%	26.3%	(23.6%)	27.6%	+2.8%
Profit Attributable to Owners of Parent Margin	7.6%	20.6%	(16.9%)	18.0%	4.1%	17.2%	(20.0%)	19.4%	+1.4%
Total Income Taxes/Profit before Income Taxes	33.6%	33.1%	-	26.6%	41.0%	35.4%	-	29.3%	+2.6%

Source: Company Data, WRJ Calculation (consolidated accounts disclosed since FY09/2019)

Sales by Division (Cumulative/Quarterly)

Sales by Division (Million Yen)	Par.Act	Par.Act	Par.Act	Par.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 09/2018	Q1 to Q2 09/2018	Q1 to Q3 09/2018	Q1 to Q4 09/2018	Q1 09/2019	Q1 to Q2 09/2019	Q1 to Q3 09/2019	Q1 to Q4 09/2019	
Licensing	229	495	638	906	210	510	687	1,029	+123
Provision of Services	38	109	139	181	58	150	198	284	+102
Stocking & Selling	37	110	136	203	59	183	314	421	+218
Consolidated Addons	-	-	-	-	14	31	73	97	-
Sales	305	715	914	1,290	342	876	1,274	1,833	+542
Licensing	+92.3%	+21.8%	+22.0%	+3.1%	(8.3%)	+3.1%	+7.6%	+13.7%	-
Provision of Services	(11.5%)	+4.9%	+0.7%	(1.4%)	+53.6%	+37.1%	+42.5%	+56.5%	-
Stocking & Selling	(50.4%)	(12.9%)	(1.3%)	+32.3%	+56.0%	+66.7%	+130.8%	+107.7%	-
Consolidated Addons	-	-	-	-	-	-	-	-	-
Sales (YoY)	+28.0%	+12.1%	+14.3%	+6.1%	+12.1%	+22.5%	+39.4%	+42.0%	-
Licensing	75.1%	69.2%	69.9%	70.2%	61.4%	58.3%	53.9%	56.2%	-
Provision of Services	12.5%	15.4%	15.2%	14.1%	17.1%	17.2%	15.6%	15.5%	-
Stocking & Selling	12.4%	15.4%	14.9%	15.7%	17.2%	21.0%	24.7%	23.0%	-
Consolidated Addons	-	-	-	-	4.2%	3.6%	5.8%	5.3%	-
Sales (Composition)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-

Sales by Division (Million Yen)	Par.Act	Par.Act	Par.Act	Par.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 09/2018	Q2 09/2018	Q3 09/2018	Q4 09/2018	Q1 09/2019	Q2 09/2019	Q3 09/2019	Q4 09/2019	
Licensing	229	265	143	267	210	300	176	342	+75
Provision of Services	38	71	29	42	58	92	47	85	+43
Stocking & Selling	37	72	26	66	59	124	131	106	+40
Consolidated Addons	-	-	-	-	14	16	42	23	-
Sales	305	409	198	376	342	533	397	558	+182
Licensing	+92.3%	(7.5%)	+22.8%	(24.7%)	(8.3%)	+12.9%	+23.3%	+28.1%	-
Provision of Services	(11.5%)	+16.4%	(12.4%)	(7.9%)	+53.6%	+28.2%	+63.0%	+102.2%	-
Stocking & Selling	(50.4%)	+44.1%	+123.4%	+340.2%	+56.0%	+72.2%	+400.7%	+60.3%	-
Consolidated Addons	-	-	-	-	-	-	-	-	-
Sales (YoY)	+28.0%	+2.7%	+22.8%	(9.6%)	+12.1%	+30.2%	+100.3%	+48.5%	-
Licensing	75.1%	64.8%	72.1%	71.0%	61.4%	56.2%	44.4%	61.3%	-
Provision of Services	12.5%	17.5%	14.7%	11.3%	17.1%	17.2%	12.0%	15.4%	-
Stocking & Selling	12.4%	17.7%	13.2%	17.7%	17.2%	23.4%	33.0%	19.1%	-
Consolidated Addons	-	-	-	-	4.2%	3.6%	5.8%	4.3%	-
Sales (Composition)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-

Source: Company Data, WRJ Calculation (consolidated accounts disclosed since FY09/2019)

Balance Sheet (Quarterly)

Balance Sheet (Million Yen)	Par.Act	Par.Act	Par.Act	Par.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 09/2018	Q2 09/2018	Q3 09/2018	Q4 09/2018	Q1 09/2019	Q2 09/2019	Q3 09/2019	Q4 09/2019	
Cash and Deposit	807	755	868	864	866	725	832	925	+60
Accounts Receivables	629	819	547	704	707	943	776	986	+282
Inventory	6	4	3	6	3	3	19	21	+15
Other	33	40	36	39	37	39	33	38	(0)
Current Assets	1,477	1,619	1,455	1,615	1,615	1,712	1,661	1,972	+357
Tangible Assets	54	53	54	51	50	49	57	56	+4
Intangible Assets	20	21	21	20	34	41	158	307	+286
Investments and Other Assets	171	196	263	237	176	287	342	341	+103
Fixed Assets	245	271	339	309	261	378	558	704	+394
Total Assets	1,722	1,890	1,795	1,924	1,876	2,091	2,219	2,676	+752
Accounts Payables	42	59	13	60	25	76	121	95	+35
Short Term Debt	8	7	7	7	257	257	273	675	+667
Other	112	139	98	140	111	184	153	182	+41
Current Liabilities	164	206	118	208	394	518	548	953	+744
Long Term Debt	29	27	25	24	22	20	101	93	+69
Other	0	0	0	0	0	0	1	1	+1
Fixed Liabilities	29	27	25	24	22	20	102	95	+71
Total Liabilities	193	234	144	232	416	539	651	1,049	+816
Shareholders' Equity	1,527	1,656	1,623	1,691	1,452	1,546	1,569	1,629	(62)
Other	0	0	0	0	7	6	(1)	(1)	(2)
Net Assets	1,528	1,656	1,623	1,692	1,459	1,552	1,568	1,627	(64)
Total Liabilities & Net Assets	1,722	1,890	1,768	1,924	1,876	2,091	2,219	2,676	+752
Equity Capital	1,527	1,656	1,623	1,691	1,452	1,546	1,569	1,626	(65)
Interest Bearing Debt	38	35	33	31	279	277	374	769	+737
Net Debt	(768)	(720)	(834)	(832)	(586)	(447)	(458)	(155)	+677
Equity Ratio	88.6%	87.6%	91.8%	87.9%	77.4%	73.9%	70.7%	60.8%	-
Net Debt Equity Ratio	(50.3%)	(43.5%)	(51.4%)	(49.3%)	(40.4%)	(29.0%)	(29.2%)	(9.6%)	-
ROE (12 months)	-	-	-	8.9%	8.9%	8.8%	5.9%	8.2%	-
ROA (12 months)	-	-	-	11.5%	10.7%	10.4%	8.1%	9.7%	-
Quick Ratio	874%	763%	1194%	752%	399%	322%	293%	201%	-
Current Ratio	899%	785%	1228%	774%	409%	330%	303%	207%	-

Source: Company Data, WRJ Calculation (consolidated accounts disclosed since FY09/2019)

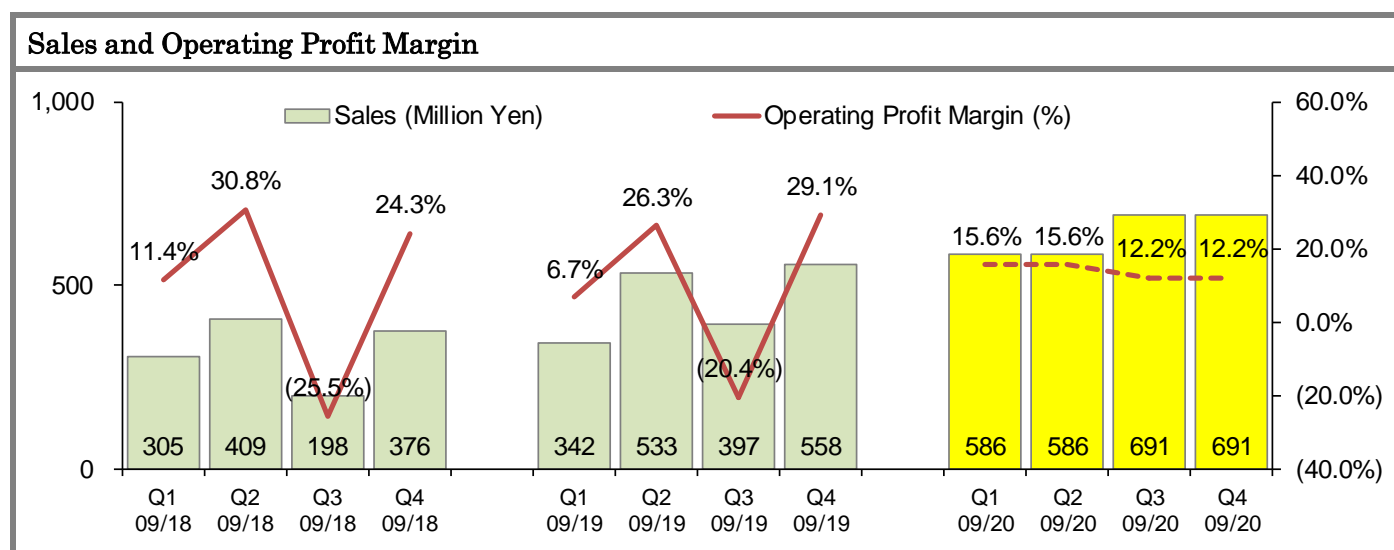
Cash Flow Statement (Cumulative)

Cash Flow Statement (Million Yen)	Par.Act	Par.Act	Par.Act	Par.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 09/2018	Q1 to Q2 09/2018	Q1 to Q3 09/2018	Q1 to Q4 09/2018	Q1 09/2019	Q1 to Q2 09/2019	Q1 to Q3 09/2019	Q1 to Q4 09/2019	
Operating Cash Flow	-	25	-	189	-	(70)	-	(11)	(201)
Investing Cash Flow	-	(27)	-	(80)	-	(128)	-	(415)	(334)
Operating CF and Investing CF	-	(2)	-	108	-	(199)	-	(427)	(536)
Financing Cash Flow	-	35	-	32	-	23	-	407	+375

Source: Company Data, WRJ Calculation (consolidated accounts disclosed since FY09/2019)

FY09/2020 Company Forecasts

FY09/2020 Company forecasts are going for prospective sales of ¥2,555m (up 39.4%), operating profit of ¥352m (up 44.1%), recurring profit of ¥311m (up 39.3%) and profit attributable to owners of parent of ¥212m (up 57.4%), while operating profit margin of 13.8% (up 0.4% points).



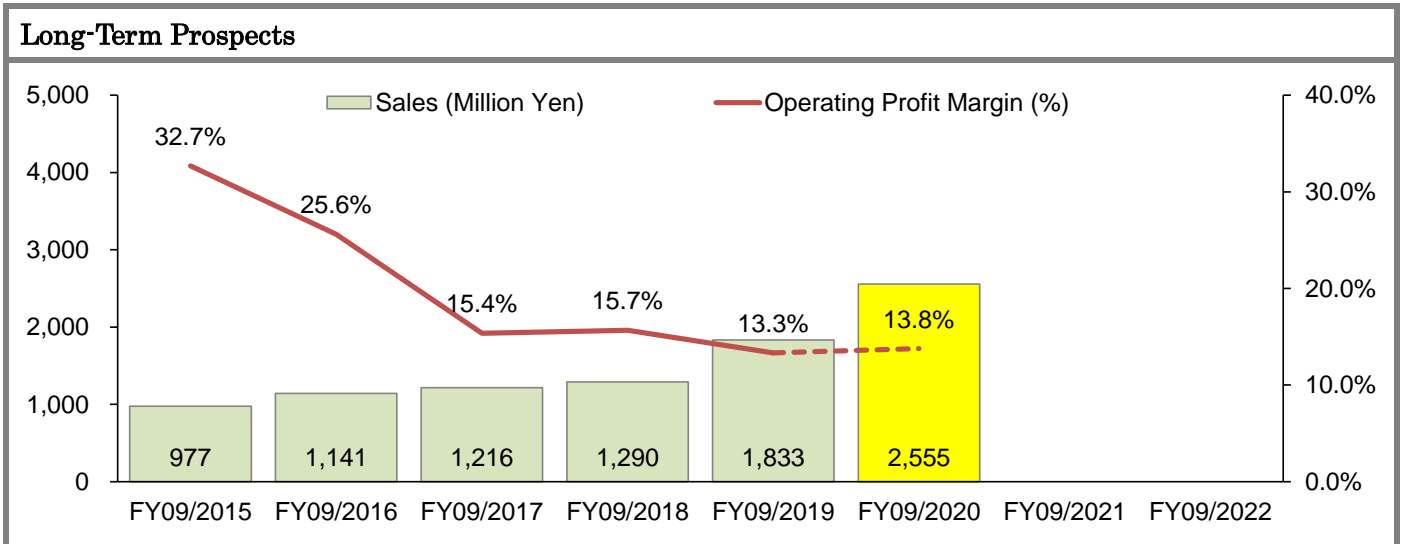
Source: Company Data, WRJ Calculation (quarters in FY09/2020: half year Company forecasts pro rata)

Due mainly to the timing of acceptance inspections by customers, sales as a whole for the Company tend to be concentrated in Q2 (January to March) and Q4 (July to September). Meanwhile, since SG&A expenses on a quarterly basis are rather stable, there are greater fluctuations in earnings. While this trend is observed in FY09/2018 and FY09/2019, it appears that FY09/2020 Company forecasts assume the same.

Meanwhile, as above-mentioned, FY09/2020 Company forecasts are going for significant increases in sales and earnings on a full-year basis. With respect to licensing or the key earning pillar, the Company plans to promote a switch from System Answer G2 to System Answer G3 by adding more new functions, while further cultivating new customers. With respect to provision of services and stocking & selling, the Company aims to raise sales as a whole for the Company by means of offering comprehensive infrastructure operation support, including security, etc. on top of infrastructure performance support through "SAMS (Speedy Action Management Services) platform" proposition. With respect to consolidated add-ons, Company forecasts are going for improved earnings for iChain, Inc., although based on conservative assumptions. The background for this improvement is that the business is to take off on a full-fledged basis, due to launch of new services developed so far.

Long-Term Prospects

As found in FY09/2020 Company forecasts, sales and earnings as a whole for the Company hinge on the conventional business on a parent basis, while long-term prospects here are favorable in light of the enhancement of new products and new functions for “System Answer Series” and the focus on “SAMS (Speedy Action Management Services) platform” proposition.



Source: Company Data, WRJ Calculation

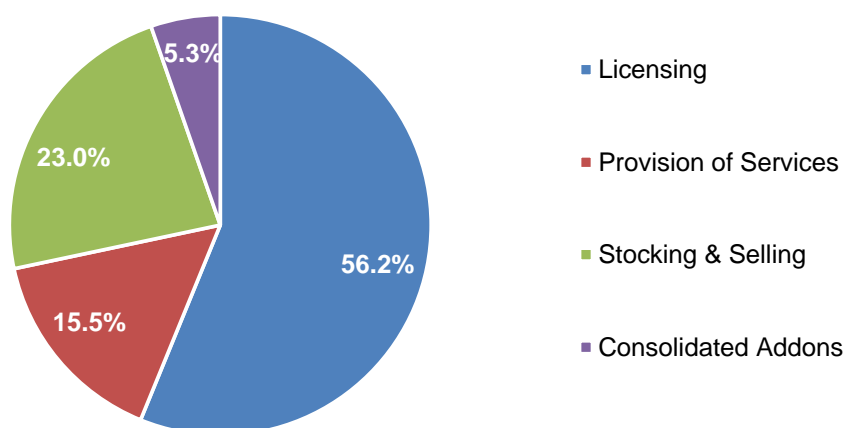
Meanwhile, the Company mentions IoT security platform services kusabi™ as well as operations in iChain, Inc. and SundayArts K.K. Co., Ltd. as possible factors to further accelerate the growth. With respect to IoT security platform services kusabi™, for which demonstration tests and/or demonstration of concepts (PoC: Proof of Concept) are continuing at major vendors, may make a large contribution even in the short term as the application of revision on ministerial ordinance by the Ministry of Internal Affairs and Communications is scheduled to begin in April 2020. In other words, given the whole country is heading for IoT security measures, the Company spots that it has a potential to get impacted with this trend.

4.0 Business Model

Pioneering Network System Monitoring

The Company runs Software Service Business. Since its foundation, the Company has pioneered network system monitoring, given that it has been in charge of development, sales, supports and provision of consulting with respect to “System Answer Series” or network system information management and quality monitoring tool to monitor the operating status of information and communication networks and signs of disruptions. As information and telecommunication networks become increasingly complex, the importance of the Company’s solutions that contribute to improvement of the quality for services and cost reductions for society and corporate infrastructure as well as supporting the security and stability of the information and telecommunication society is increasing year by year, resulting in steady growth of sales as a whole for the Company.

Sales Breakdown (FY09/2019)



Source: Company Data

The Company saw sales of ¥1,833m in FY09/2019, of which the bulk was accounted for by those of network monitoring on a parent basis. Licensing accounted for 56.2% of sales, provision of services 15.5%, stocking & selling 23.0% and consolidated addons 5.3%.

In licensing, the Company sells “System Answer Series” on a license basis, i.e., booking sales for usage rights for this software. Meanwhile, in provision of services, the Company books sales stemming from provision of various services related to this, while doing so by stocking and selling various third-party system equipment and software associated with provision of services to resolve the issues faced by customers using "System Answer Series". That is to say, most of the sales as a whole for the Company are accounted for by those of "System Answer Series" and its peripheral business.

Meanwhile, consolidated addons are ¥97m on an absolute amount basis, equating to 5.3% of sales, stemming from those of iChain, Inc. and SundayArts K.K. Co., Ltd. In FY09/2019, the former booked sales for 12 months and the latter for 6 months or only in H2, while the latter appears to have marginally exceeded the former in terms of contributions to sales of consolidated addons in FY09/2019.

5.0 Financial Statements

Income Statement

Income Statement (Million Yen)	Par.Act	Par.Act	Par.Act	Par.Act	Cons.Act	Cons.CoE	
	FY	FY	FY	FY	FY	FY	YoY
	09/2015	09/2016	09/2017	09/2018	09/2019	09/2020	Net Chg.
Sales	977	1,141	1,216	1,290	1,833	2,555	+721
Cost of Sales	102	174	210	277	551	-	-
Gross Profit	874	967	1,006	1,013	1,281	-	-
SG&A Expenses	554	675	819	811	1,037	-	-
Operating Profit	319	292	186	202	244	352	+107
Non Operating Balance	(17)	41	(17)	3	(21)	(41)	(19)
Recurring Profit	301	333	169	205	223	311	+87
Extraordinary Balance	0	(25)	(2)	(1)	(8)	-	-
Profit before Income Taxes	301	308	167	204	214	311	+96
Total Income Taxes	118	113	52	62	85	99	+13
NP Belonging to Non-Controlling SHs	-	-	-	-	(5)	-	-
Profit Attributable to Owners of Parent	182	195	115	141	134	212	+77
Sales YoY	+21.1%	+16.8%	+6.6%	+6.1%	+42.0%	+39.4%	-
Operating Profit YoY	+47.8%	(8.5%)	(36.1%)	+8.2%	+20.9%	+44.1%	-
Recurring Profit YoY	+35.0%	+10.5%	(49.2%)	+21.5%	+8.6%	+39.3%	-
Profit Attributable to Owners of Parent YoY	+36.4%	+6.8%	(41.0%)	+23.3%	(5.0%)	+57.4%	-
Gross Profit Margin	89.5%	84.7%	82.7%	78.5%	69.9%	-	-
Sales to SG&A Expenses Ratio	56.8%	59.1%	67.4%	62.8%	56.6%	-	-
Operating Profit Margin	32.7%	25.6%	15.4%	15.7%	13.3%	13.8%	+0.4%
Recurring Profit Margin	30.9%	29.2%	13.9%	15.9%	12.2%	12.2%	(0.0%)
Profit Attributable to Owners of Parent Margin	18.7%	17.1%	9.5%	11.0%	7.4%	8.3%	+0.9%
Total Income Taxes / Profit before Income Taxes	39.4%	36.7%	31.1%	30.4%	39.7%	-	-

Source: Company Data, WRJ Calculation (consolidated accounts disclosed since FY09/2019)

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Sales by Division

Sales by Division (Million Yen)	Par.Act	Par.Act	Par.Act	Par.Act	Cons.Act	Cons.CoE	
	FY	FY	FY	FY	FY	FY	YoY
	09/2015	09/2016	09/2017	09/2018	09/2019	09/2020	Net Chg.
Licensing	801	921	878	906	1,029	-	-
Provision of Services	119	121	184	181	284	-	-
Stocking & Selling	56	98	153	203	421	-	-
Consolidated Addons	-	-	-	-	97	-	-
Sales	977	1,141	1,216	1,290	1,833	2,555	+721
Licensing	+20.6%	+15.0%	(4.6%)	+3.1%	+13.7%	-	-
Provision of Services	+56.7%	+1.4%	+52.1%	(1.4%)	+56.5%	-	-
Stocking & Selling	(15.4%)	+75.8%	+55.1%	+32.3%	+107.7%	-	-
Consolidated Addons	-	-	-	-	-	-	-
Sales (YoY)	+21.1%	+16.8%	+6.6%	+6.1%	+42.0%	+39.4%	-
Licensing	82.0%	80.7%	72.2%	70.2%	56.2%	-	-
Provision of Services	12.2%	10.6%	15.1%	14.1%	15.5%	-	-
Stocking & Selling	5.8%	8.7%	12.6%	15.7%	23.0%	-	-
Consolidated Addons	-	-	-	-	5.3%	-	-
Sales (Composition)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-

Source: Company Data, WRJ Calculation (consolidated accounts disclosed since FY09/2019)

Balance Sheet

Balance Sheet	Par.Act	Par.Act	Par.Act	Par.Act	Cons.Act	Cons.CoE	
	FY	FY	FY	FY	FY	FY	YoY
(Million Yen)	09/2015	09/2016	09/2017	09/2018	09/2019	09/2020	Net Chg.
Cash and Deposit	872	862	723	864	925	-	-
Accounts Receivables	475	574	663	704	986	-	-
Inventory	4	7	4	6	21	-	-
Other	28	32	40	39	38	-	-
Current Assets	1,380	1,476	1,431	1,615	1,972	-	-
Tangible Assets	23	43	46	51	56	-	-
Intangible Assets	11	8	14	20	307	-	-
Investments and Other Assets	66	140	167	237	341	-	-
Fixed Assets	101	191	228	309	704	-	-
Total Assets	1,482	1,668	1,660	1,924	2,676	-	-
Accounts Payables	24	64	17	60	95	-	-
Short Term Debt	73	39	13	7	675	-	-
Other	176	151	94	140	182	-	-
Current Liabilities	274	255	125	208	953	-	-
Long Term Debt	38	45	31	24	93	-	-
Other	1	0	0	0	1	-	-
Fixed Liabilities	39	46	31	24	95	-	-
Total Liabilities	314	302	157	232	1,049	-	-
Shareholders' Equity	1,168	1,366	1,502	1,691	1,629	-	-
Other	0	0	0	0	(1)	-	-
Net Assets	1,168	1,366	1,503	1,692	1,627	-	-
Total Liabilities & Net Assets	1,482	1,668	1,660	1,924	2,676	-	-
Equity Capital	1,168	1,366	1,502	1,691	1,626	-	-
Interest Bearing Debt	111	84	45	31	769	-	-
Net Debt	(760)	(777)	(677)	(832)	(155)	-	-
Equity Ratio	78.8%	81.9%	90.5%	87.9%	60.8%	-	-
Net Debt Equity Ratio	(65.1%)	(56.9%)	(45.1%)	(49.3%)	(9.6%)	-	-
ROE (12 months)	23.9%	15.4%	8.0%	8.9%	8.2%	-	-
ROA (12 months)	27.6%	21.2%	10.2%	11.5%	9.7%	-	-
Quick Ratio	491%	561%	1104%	752%	201%	-	-
Current Ratio	503%	577%	1140%	774%	207%	-	-

Source: Company Data, WRJ Calculation (consolidated accounts disclosed since FY09/2019)

Cash Flow Statement

Cash Flow Statement	Par.Act	Par.Act	Par.Act	Par.Act	Cons.Act	Cons.CoE	
	FY	FY	FY	FY	FY	FY	YoY
(Million Yen)	09/2015	09/2016	09/2017	09/2018	09/2019	09/2020	Net Chg.
Operating Cash Flow	123	90	(44)	189	(11)	-	-
Investing Cash Flow	(12)	(69)	(57)	(80)	(415)	-	-
Operating CF and Investing CF	111	21	(101)	108	(427)	-	-
Financing Cash Flow	535	(31)	(37)	32	407	-	-

Source: Company Data, WRJ Calculation (consolidated accounts disclosed since FY09/2019)

Per Share Data

Per Share Data (Before Adjustments for Split) (Yen)	Par.Act FY 09/2015	Par.Act FY 09/2016	Par.Act FY 09/2017	Par.Act FY 09/2018	Cons.Act FY 09/2019	Cons.CoE FY 09/2020	YoY Net Chg.
No. of Shares FY End (thousand shares)	5,398	5,466	5,534	5,692	5,708	-	-
Net Profit/ EPS (thousand shares)	3,968	5,400	5,489	5,634	5,576	-	-
Treasury Shares FY End (thousand shares)	-	-	-	0	154	-	-
Earnings Per Share	46.04	36.15	20.97	25.20	24.18	38.49	-
Earnings Per Share (Fully Diluted)	45.87	34.05	20.13	24.66	23.89	-	-
Book Value Per Share	216.41	250.06	271.47	297.20	292.93	-	-
Dividend Per Share	-	-	-	-	-	-	-
Per Share Data (After Adjustments for Split) (Yen)	Par.Act FY 09/2015	Par.Act FY 09/2016	Par.Act FY 09/2017	Par.Act FY 09/2018	Cons.Act FY 09/2019	Cons.CoE FY 09/2020	YoY Net Chg.
Share Split Factor	1	1	1	1	1	-	-
Earnings Per Share	46.04	36.15	20.97	25.20	24.18	38.49	-
Book Value Per Share	216.41	250.06	271.47	297.20	292.93	-	-
Dividend Per Share	-	-	-	-	-	-	-
Payout Ratio	-	-	-	-	-	-	-

Source: Company Data, WRJ Calculation (consolidated accounts disclosed since FY09/2019)

6.0 Other Information

"Improvement of Service Quality"

The Company was listed on the Tokyo Stock Exchange 1st section on 28 November 2016. Since its foundation in October 2002, the Company has been developing products and providing services from the viewpoints of monitoring the performance of network computing, detecting signs of disruption, creating a mechanism for preventive maintenance and drafting capacity plans under the slogan visualization of network infrastructure. In other words, the Company contributes to “improvement of quality for systems operations” with customers. Currently, the Company advocates new vision "improvement of service quality" and it plans to continue to grow in the future based on this. At the same time, the Company aims to be the only entity that is consistently chosen by customers in this domain as well as hoping to contribute to society through all those efforts. Going forward, the Company reveals that it also aims to become a business company that is loved by people around the world by expanding its business not only in Japan but also overseas.

The Company's engineers have verified multi-vendor products using actual equipment since the beginning of its foundation, having accumulated knowhow on this, which has been reflected in “System Answer Series”. Currently, in the domain of network computing, the Company is able to handle products from more than 100 manufacturers. The Company's "System Answer Series" has a mechanism for viewing the performance information of all the products with IP (Internet Protocol) such as servers, PCs, printers, network equipment, security products, wireless products, storage, switchboards, etc. of major vendors, i.e., almost all the equipment so-called connected to the network. It appears that there are no other products that are compatible with the various equipment manufactured and sold by all those vendors worldwide. Further, the expertise it has gained in analyzing and consulting with many customers with the Company after visualization forms a differentiating factor for the Company's products and services.

With the popularization of cloud computing, there is a need to improve security and service levels for Internet services used on diversified and complicated networks in the environments surrounding the Company. For this reason, the Company's products and services are becoming essential. In recent years, the utilization of big data has progressed and the necessity of ICT (Information and Communication Technology) services in social infrastructure across the board has increased. In other words, ICT-based IoT services are gradually becoming popular even in conventional industries and the range of applications for the Company products and services seems to be expanding.

Company History

Date	Events
October 2002	IBC Co.,Ltd. (capital: ¥33m), established in Chuo-ku, Tokyo
June 2003	Network monitoring appliance “BT monitor”, released
June 2005	“BT monitor”, certified for NEC UNIVERGE
November 2005	Head office, moved to Chuo-ku, Tokyo
May 2007	Network monitoring appliance “BT monitor V2”, released
December 2008	Network monitoring appliance “System Answer”, released
July 2011	Nishi-Nihon Office in Yodogawa-ku, Osaka-city, Osaka, established
July 2011	Network monitoring software for large-scale users “ System Answer G2 Datacenter Ware, released
February 2012	IBC INTERNETWORKING & BROADBAND CONSLTING PTE. LTD. (Singapore: currently dormant), became a subsidiary
October 2013	Head Office, moved to the current place in Chuo-ku, Tokyo
June 2014	Performance index disclosure services “System Answer RS Global Baseline”, released
September 2015	Listed on the Tokyo Stock Exchange Mothers
April 2016	iBeed, Inc., established as joint venture with Skeed Co.,Ltd.
July 2016	iBeed, Inc, became a wholly owned subsidiary
November 2016	Listed on the Tokyo Stock Exchange 1st section
July 2017	System information monitoring software “System Answer G3”, released
August 2017	Next-generation MSP services “SAMS (Speedy Action Management Services)”, released
April 2018	Subsidiary iBeed, Inc., identified as iChain, Inc.
April 2019	SundayArts K.K. Co., Ltd., became a wholly owned subsidiary through simplified share exchange
April 2019	Investment in NSD Advanced Technology Research Institute CO., LTD., made
August 2019	A portion of security business of NaviPlus Co.,Ltd., acquired

Disclaimer

Information here is a summary of “IR Information” of the Company, compiled by Walden Research Japan, from a neutral and professional standing point, in the form of a report. “IR Information” of the Company comprises a) contents of our interview with the Company, b) contents of presentation documents for institutional investors, c) contents of timely disclosed information and d) contents of the homepage, etc.

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